

Message Text

LIMITED OFFICIAL USE

PAGE 01 JAKART 06544 191000Z

ACTION EB-07

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 IO-13 ISO-00

INT-05 GSA-02 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 PM-04 NSC-05

SS-15 /123 W

-----191752Z 081962 /43

R 190907Z MAY 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1189

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY SANTIAGO

AMEMBASSY SINGAPORE

AMEMBASSY PORT MORESBY

USMISSION GENEVA

LIMITED OFFICIAL USE JAKARTA 6544

E.O. 11652: N/A

TAGS: EMIN, ID

SUBJECT: GOI MINES MINISTER COMMENTS ON COPPER AND THE INEFFECTIVE-
NESS OF CIPEC

1. SUMMARY: IN PRESS CONFERENCE LAST WEEK INDONESIAN
MINISTER OF MINES COMMENTED EXTENSIVELY ON FAILURE OF CIPEC
TO CONTROL INTERNATIONAL MARKET PRICE OF COPPER. HE BLAMED
FAILURE TO CONTROL PRODUCTION AND LACK OF PARTICIPATION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JAKART 06544 191000Z

BY MAJOR CONSUMING NATIONS SUCH AS U.S. AND USSR. HE
ADVOCATED ESTABLISHMENT OF A \$1 BILLION COPPER BUFFER STOCK.
END SUMMARY.

2. IN A PRESS CONFERENCE LAST WEEK GOI MINISTER OF MINES
SADLI SAID INTER ALIA THAT ALTHOUGH CIPEC HAS EXISTED FOR
TEN YEARS IT HAS NO INFLUENCE IN DETERMINING COPPER PRICES.

HE BLAMED THIS ON FACT THAT "CIPEC NATIONS DO NOT HAVE THE COURAGE TO DECREASE PRODUCTION BECAUSE THEY FEAR UNEMPLOYMENT." ACCORDING TO SADLI STABLE PRODUCTION AND FLUCTUATING DEMAND HAVE CREATED AN UNSTABLE PRICE SITUATION, AND HE ARGUED THAT PRICE SHOULD BE STABILIZED AT AROUND \$1.00/LB. IN ORDER TO ENCOURAGE THE DEVELOPMENT OF NEW SOURCES TO MEET FUTURE DEMAND.

3. SADLI ALSO URGED THE CREATION OF A \$1 BILLION BUFFER STOCK TO STABILIZE THE COPPER MARKET, NOTING THAT SUCH AN EFFORT WOULD REQUIRE THE COOPERATION OF THE LARGE CONSUMING NATIONS SUCH AS THE U.S. AND USSR.

4. COMMENT: INDONESIA IS A RELATIVELY MINOR COPPER PRODUCER ON THE WORLD SCENE EXPORTING APPROXIMATELY 60,000 TONS/YEAR IN THE FORM OF COPPER CONCENTRATE. NEVERTHELESS, INDONESIA HAS BEEN OUTSPOKEN ON COPPER ISSUES IN UNCTAD FORA. WE HAVE HAD SOME DIFFICULTY EXPLAINING THIS, GIVEN INDONESIA'S OTHERWISE "MODERATE" APPROACH ON OTHER COMMODITY ISSUES. THIS RELATIVELY HARD LINE ON COPPER MAY REFLECT DISAPPOINTMENT THAT VARIOUS EBHLORATION EFFORTS HERE IN INDONESIA HAVE HAD TO BE ABANDONED BECAUSE EXISTING COPPER PRICES DID NOT ENCOURAGE DEVELOPMENT, AND ALSO THE FACT THAT INDONESIA IS NOT DEPENDENT ON INCOME FROM COPPER EXPORTS TO ANY GREAT DEGREE, AND THUS FEELS ITSELF FREE TO CRITIZE THE LACK OF COURAGE ON THE PART OF OTHER COPPER EXPORTERS. END COMMENT.
NEWSOM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, COPPER, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKARTA06544
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770178-1169
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770540/aaaabijx.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 683e5e90-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2457516
Secure: OPEN
Status: NATIVE
Subject: GOI MINES MINISTER COMMENTS ON COPPER AND THE INEFFECTIVE-NESS OF CIPEC
TAGS: EMIN, ID, CIPEC, (SADLI, MOHAMMAD)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/683e5e90-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009